



Don Nickles, Chairman
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FY2004 Budget Resolution Conference Report: Investing in BETTER HEALTH

Medicare. The Budget includes a \$400 billion reserve fund for the Finance Committee to enact legislation that strengthens and enhances Medicare and improves the access of beneficiaries to prescription drugs. This amount is consistent with the President's request.

Medicaid. Medicaid in 2003 was added for the first time to GAO's list of high-risk programs, "owing to the program's size, growth, diversity, and fiscal management weaknesses." The Budget proposes to modernize Medicaid by giving states choice and flexibility, incentivizing them to revolutionize health care for the poor as they have with welfare and children's health insurance.

Uninsured. The Budget provides \$50 billion in a reserve fund for proposals to make health insurance more affordable and accessible to the 41 million uninsured Americans. According to a study released by the National Institute for Health Care Management, the population of the uninsured varies considerably. Because of the diversity of this population, it is clear a one-size-fits-all approach is not the right solution.

State Children's Health Insurance Program (SCHIP). The Budget includes a reserve fund for the Finance Committee to enact legislation to extend the availability of expiring SCHIP funds and restore availability to 1998 and 1999 previously expired funds. According to CBO estimates, approximately \$1.26 billion in SCHIP funds reverted to the Treasury on October 1, 2002 and \$1.35 billion will return to the Treasury at the end of 2003. This legislation would provide the states \$1.825 billion in BA and \$975 million on outlays over ten years to ease their financial strain as well as to cover more children under their SCHIP programs.

Maternal and Child Health Block Grant. The Budget assumes a \$19 million increase in the President's budget for the Maternal and Child Health Block Grant. The increase will support activities that underpin the public health infrastructure for mothers and children. The increase provides a total of \$622 million in Federal funds for the states.

Veterans Health. The Budget provides a 14.6-percent increase over last year for veterans health benefits - the largest increase ever in this area.

Global AIDS and Famine. The Budget includes \$450 million in 2004 and an additional \$22 billion over 10 years to slow the global spread of HIV/AIDS and deliver treatment to millions of infected people in developing countries. The Budget also includes a new fund for dealing with famine, which provides \$200 million in 2004 and an additional \$2 billion over 10 years.

National Institutes of Health. The Omnibus Appropriations bill of 2003 completed the planned five-year doubling of the NIH budget from \$13.7 billion in 1998 to \$27.1 billion in 2003. The FY04 Budget includes an additional increase, bringing total NIH funding to \$27.9 billion. After accounting for approximately \$1.4 billion in one-time non-recurring costs in 2003 for facilities construction and anthrax vaccine procurement, NIH research programs and support will have an increase of more than \$1.9 billion, or 7.4 percent, in 2004.